

The Gig Economy in India: Growth, Challenges, and Policy Implications

Dr. Jyotirmoy Koley, WBES

Assistant Professor of Commerce, Darjeeling Government College, Darjeeling, West Bengal, India

DOI: <https://doi.org/10.51584/IJRIAS.2025.100800160>

Received: 30 August 2025; Accepted: 05 September 2025; Published: 01 October 2025

ABSTRACT

The gig economy, characterized by flexible, short-term, and freelance work facilitated through digital platforms, has significantly transformed the employment landscape in India. This study provides a comprehensive overview of the dimensions, scope, driving factors, impact, and regulatory challenges of the gig economy in the Indian context. This research employs a descriptive methodology that relies on secondary data from government reports, academic journals, industry surveys, and media sources. The findings reveal substantial growth in India's gig economy, with the number of gig workers increasing from 2.52 million in 2011-12 to 6.8 million in 2019-20, reflecting a compound annual growth rate of 16.78%. The key sectors driving this growth include mobility, delivery services, professional services, and microtasks. The gig economy offers workers flexibility, autonomy, and skill development opportunities, but also presents challenges such as job insecurity, lack of benefits, and economic vulnerability. For businesses, it provides cost-effective labour and operational flexibility while posing challenges in workforce management and retention. This study highlights significant regulatory gaps and policy challenges, emphasizing the need for comprehensive frameworks to protect worker rights, address gender inequalities, and ensure fair treatment. The absence of adequate social security measures and the precarious nature of gig work underscore the urgency of policy interventions. The future trajectory of India's gig economy depends on balancing its growth potential with worker welfare, which requires collaborative efforts between policymakers, platforms, and stakeholders to develop inclusive policies. While the gig economy offers substantial opportunities for employment generation and economic growth in India, it requires careful regulation and policy formulation to ensure equitable and sustainable development.

Keywords: Gig Economy, Digital Platforms, Employment Landscape, Labour Market, Workers' Rights, Job Insecurity, Policy Interventions, etc.

INTRODUCTION

The gig economy, characterized by flexible, short-term, and freelance work facilitated through digital platforms, has significantly transformed the employment landscape in India. This transformation is largely attributed to the rapid digitalization processes that have been sweeping across the globe, altering traditional business models, service provisions, and employment arrangements (Sood & Singh, 2023). In India, the gig economy has emerged as a rapidly growing sector offering employment opportunities in a scenario marked by rising unemployment and a decline in traditional jobs (Mehta, 2020). The growth of digital platforms has enabled a vast number of workers to engage in contingent employment, providing an alternative to the traditional Labour market, particularly for those affected by economic downturns (Huang et al., 2018). The shift toward gig-based work is notable in India's ride-hailing and delivery services, highlighting a sector that offers both opportunities and challenges. It has reshaped Labour market dynamics by promoting cost-effective, on-demand Labour, while fostering a decentralized and flexible workforce (Li, 2023). However, this shift has also raised concerns regarding job security and workers' rights and benefits (Li, 2023). The gig economy's dual nature—offering both autonomy and economic flexibility, yet often lacking in regulatory

protection —presents a complex challenge for policymakers aiming to balance growth with worker welfare (Schwellnus et al., 2019). Furthermore, the Indian gig economy is marked by notable inequalities, with gig workers often facing long working hours, low wages, and job insecurity, conditions that are exacerbated for those from marginalized socioeconomic backgrounds (Pankaj & Jha, 2024). The COVID-19 pandemic has further highlighted these vulnerabilities, with gig workers relying heavily on informal networks for support during crises, underscoring the need for robust policy interventions to improve their working conditions and ensure equitable economic opportunities (Ray, 2024). In summary, the gig economy in India presents a mixed landscape of opportunities and challenges, necessitating approaches to harness its potential for economic development while safeguarding the rights and welfare of its workforce.

Defining the Gig Economy:

The gig economy is characterized by flexible, short-term, and often digitally mediated work arrangements that have significantly influenced Labour market dynamics in recent years. It provides workers with opportunities for autonomy, the ability to generate multiple income streams, and a potentially improved work-life balance by allowing them to independently shape their career paths (Li, 2023). The gig economy primarily operates through digital platforms that reduce barriers to entry into various Labour markets, enabling workers to engage in contingent employment at their convenience (Huang et al., 2018). This economic model has experienced rapid growth due to technological advancements and economic factors such as financial stress during economic downturns (Huang et al., 2018). Despite offering opportunities, the gig economy presents challenges, such as job insecurity, lack of workers' rights, and limited employment benefits, prompting discussions on how to ensure the economic welfare of gig workers (Li, 2023). From a business perspective, the gig economy provides cost-effective, on-demand Labour, although it necessitates businesses to adapt their strategies to manage a decentralized and flexible workforce (Li, 2023). For workers, particularly those in developing countries or those experiencing job dissatisfaction, the gig economy represents a potential for higher income and diversified work opportunities through platforms such as Upwork, which connects freelancers with businesses worldwide (Green et al., 2018). However, the gig economy is not without social challenges. This often results in an oversupply of Labour, reduced wages, long working hours, and poor working conditions (McClenahan et al., 2017). The need for fair Labour practices within this economy has led to calls for regulations and collective bargaining to ensure a fairer gig economy (McClenahan et al., 2017). As the gig economy continues to redefine traditional employment, it underscores the necessity of policy measures that protect gig workers while fostering development and economic prosperity (Li, 2023). While the gig economy brings transformative changes, it remains crucial to study its implications for job quality, worker identity, and algorithmic management across different national contexts (Kaine & Josserand, 2019). Understanding these dynamics is essential for developing targeted strategies and policies that can effectively address the evolving nature of work in a gig economy (Banik & Padalkar, 2021). The impact of the gig economy is widespread, affecting everything from employment relations to the gendered experiences of workers within its framework. It raises questions about wage equity, job satisfaction, and the potential for greater economic inclusivity (Curran & Jenks, 2022; Sarker et al., 2024). As such, understanding the gig economy's multifaceted implications remains a priority for policymakers, businesses, and academics (Healy et al., 2017).

The Global Context:

The gig economy is increasingly acknowledged as a transformative force within global Labour markets, primarily facilitated by technological advancements, such as smartphones and digital platforms. This economic model enables independent contractors, including freelancers and on-call workers, to engage in short-term and flexible work arrangements that are distinct from traditional employment relationships (Batmunkh et al., 2022). A bibliometric analysis of the gig economy identifies five key clusters: self-employment and social economy, sharing economy and sustainable development, entrepreneurship and innovation, platform economy, and digitalization. Each cluster underscores different dimensions and implications of the gig economy, such as the significance of social capital in digital entrepreneurship and the

role of gig workers in formulating strategic policies for social welfare (Silva and Moreira, 2022). The gig economy also presents opportunities and challenges to workers. It offers autonomy, multiple income streams, and an improved work-life balance. However, this also raises concerns regarding job security, workers' rights, and the absence of employment benefits. These issues necessitate responsive strategies from businesses and policymakers to balance worker rights with economic development and prosperity (Li 2023). Several studies suggest that gig worker participation is influenced by various factors, including economic conditions such as unemployment and financial stressors in offline economies. Policymakers have recently proposed laws to protect gig workers, highlighting the importance of the sector and the need for regulations (Huang et al., 2018). Furthermore, the organization and experience of work within the gig economy have garnered significant public and academic interest. Research has focused on worker conditions, job quality, and the impact of algorithmic management, necessitating a deeper understanding of the digitally driven gig economy across different national contexts. Aspects such as identity development and collective forms of gig work remain important areas of inquiry (Kaine & Josserand, 2019). In summary, the gig economy represents a significant shift in Labour market dynamics, offering flexibility and autonomy, but also poses challenges related to job security and regulatory frameworks. Ongoing research and policy development are crucial for addressing these challenges and optimizing the benefits of this economic model.

India's Employment Landscape:

India's gig economy has witnessed substantial growth, significantly altering the employment landscape of the nation. Between 2011-12 and 2019-20, the number of gig workers increased from 2.52 million to 6.8 million, reflecting a compound annual growth rate of 16.78% (Sood & Singh, 2023). This expansion highlights the gig economy's potential as a major employment generator in India, particularly in sectors such as the retail trade. The role of the gig economy is especially critical in the context of rising unemployment and limited job creation in India's formal sectors. It offers a reprieve by providing employment opportunities in which traditional sectors fall short (Mehta 2020). The gig economy enables flexible job arrangements through digital platforms, facilitating contingent employment as desired (Huang et al., 2018). Despite these opportunities, the gig economy poses challenges. Workers frequently encounter precarious living conditions, including extended working hours, low wages, and job insecurity, due to the informal nature of employment (Pankaj & Jha, 2024). Existing regulatory frameworks often inadequately protect gig workers, resulting in gaps between legal recognition and practical enforcement. Additionally, there are notable regional disparities in working conditions, gender-based inequalities, and vulnerabilities, particularly among migrant workers (Kalbalia and Koushik 2025). The COVID-19 crisis exacerbated these challenges, with gig workers in India facing uncertainty and increased reliance on informal socio-spatial networks for support. These networks underscore the self-organized nature of gig work in the global south, although they do not offer comprehensive solutions to the systemic issues faced by gig workers (Ray, 2024). Gender differences also influence gig economies. While the rise of digital platforms has expanded opportunities for women, disparities persist in job satisfaction, working conditions, and income potential between male and female gig workers (Sarker et al. 2024). The gig economy provides opportunities for flexibility and additional income streams but underscores the necessity for gender-sensitive policies to support a diverse workforce. Given these dynamics, policymakers in India are tasked with balancing the protection of workers' rights and financial security by fostering economic growth and development in the gig economy. This includes addressing the multifaceted impacts of the gig economy on traditional employment patterns and ensuring an equitable Labour market (Li, 2023).

LITERATURE REVIEW

Over the years, numerous academic and social science researchers have conducted studies on various aspects of the gig economy in India. For the purpose of the present study, some of the most significant and pertinent articles were reviewed, and are presented below.

Mali (2020) conducted an investigation into the expansion and implications of the gig economy in India, highlighting its swift growth driven by technological advancements, digital platforms, and evolving

workforce preferences. This study underscores the fact that India ranks second globally in terms of freelance professional contributions, with approximately 15 million workers. The gig economy offers flexibility, cost efficiency, and novel employment opportunities, particularly in sectors such as information technology, food services, and e-commerce. Nonetheless, challenges, such as the absence of legal protection, social security benefits, job security, and management issues persist, potentially hindering sustainable growth. The study concludes that while the gig economy is not entirely supplanting traditional employment, it is increasingly permeating Indian Labour markets and influencing economic and organizational dynamics.

Pawar and Srivastava (2022) examined India's gig workers in relation to employment laws. This study highlights the expansion of the gig economy through technology and urbanization, noting challenges such as job insecurity, irregular income, and unclear legal status. The authors analyzed India's legal framework, including the Social Security Code's provisions for gig workers, while identifying gaps in categorization and rights enforcement. This study advocates for a "dependent contractor category beyond traditional employee-contractor classifications to provide targeted protection. It recommends legislative reforms including dispute resolution mechanisms and regulatory commissions to protect gig workers. While countries such as the U.S., the U.K., and Brazil have various approaches, India needs comprehensive policies to formalize gig workers' rights. The authors called for stronger regulations to ensure the fair growth of India's gig economy.

Gowda and Manasa (2023) examined the impact of digitization on employment in India, focusing on the gig economy. Digital transformation has facilitated global trade and created new employment opportunities. India's gig jobs are projected to grow from 8 million to 90 million in the nonfarm sector within 8-10 years, with gig workers contributing 4.1% of India's income by 2029-2030. In 2022, India recorded 91.1 billion digital transactions, representing 46% of the global real-time payments. Digitization affects financial inclusion, e-governance, e-commerce, startups, and education, although challenges such as the digital divide and cybersecurity persist. The gig economy offers flexibility and diverse work options through digital platforms. The construction, Manufacturing, Retail, and Transportation sectors can generate over 70 million gig of jobs. This study recommends industry platformisation, financial inclusion, and digital literacy enhancement.

David et al. (2024) analyzed India's gig economy and its impact on work in the digital age. The gig economy comprises short-term contracts and freelance work rather than permanent employment and is growing due to technology and changing work preferences. In India, projections indicate that it could support 90 million non-farm jobs and add 1.25% to GDP, with gig workers increasing from 77 lakh in 2020-21 to 2.35 crore by 2029-30. While offering flexibility and income opportunities, the gig economy presents challenges such as job insecurity and a lack of benefits. This study examines its impact across sectors, including FMCG, manufacturing, technology, services, and education, considering the implications for female workers and COVID-19. This paper discusses India's regulatory framework, including the Code on Social Security 2020, aimed at protecting unorganized sector workers. The gig economy continues to reshape India's work landscape by presenting opportunities and challenges.

Bekal et al. (2023) review the literature on India's gig economy and examine its growth, opportunities, challenges, and policy implications through government reports, academic studies, and industry surveys. The gig economy is rapidly expanding and is projected to reach 90 million workers by 2025, spanning transportation, delivery services, and creative work. Growth factors include digital technology access, the demand for on-demand services, and changing work attitudes. While offering flexibility, the sector faces challenges such as job insecurity and a lack of benefits. The gig economy creates opportunities for job creation and entrepreneurship, while raising concerns about worker protection. The study recommends policies to support worker and sector growth while ensuring fair treatment and benefits.

Chandrashekhar (2025) examined the role of the gig economy in employment generation in India. The gig economy is expanding rapidly, and could create over 90 million jobs in the next decade. Gig workers engage in short-term flexible work without fixed contracts. The study used secondary data from government sources, reports, and the media. Findings show growth in India's gig workforce from 25 lakh in 2011-12 to 68 lakh in

2019-20. The study noted improved employment elasticity after 2017, though the 2021-2030 projections indicate weak employment-output linkages. Although gig work offers flexibility, it lacks job security and other benefits. This study recommends promoting job-intensive sectors, regulating the gig economy, and enhancing skill development. The gig economy contributes to workforce diversity and growth, but requires policy attention for fair Labour practices.

Thankachan (2024) examined the growth prospects of India's gig economy. The gig economy involves fixed-term contracts or per-project payments through online platforms, and has grown substantially globally. The factors driving India's gig economy include technology adoption, job opportunities, urbanization, changing workforce dynamics, and government regulations. The sector offers opportunities such as short-term employment, entrepreneurship, increased consumption, skill development, and flexible work arrangements. However, challenges include inadequate legal frameworks, income instability, lack of social security, worker exploitation, and market disruption. The editorial concludes that while the gig economy has growth potential in India, addressing these challenges is crucial for balancing flexibility, productivity, and worker protection.

Banik and Padalkar (2021) examined the gig economy's proliferation and effects. This study defines it as short-term employment via online platforms, which are transforming Labour markets globally. Gig work features an on-demand nature, platform-enabled connections, low entry barriers, and standardized outcomes. The gig economy affects Labour productivity, employment patterns, income distribution, and the organizational environment. This study discusses the rise in India, noting employment opportunities while emphasizing regulatory needs. The authors' model related gig economy size to macroeconomic variables, finding that technology infrastructure positively influences gig worker numbers, whereas per capita income shows a negative relationship. The paper concludes by highlighting the need for research on the uneven spread of the gig economy across occupations, and recommends policy interventions for displaced workers.

Research Gap:

Several research gaps exist in the literature on India's gig economy. There is limited research on its long-term impact on the Labour market and economic structure, with most studies focusing on its short-term effects. The literature lacks a detailed analysis of sector-specific impacts and regional disparities across states and urban-rural areas. Research gaps exist regarding long-term effects on worker skill development and career progression. Studies have inadequately addressed the social security models for gig workers in India. Further research is needed on the impact of technology adoption and the effect of the digital divide on participation across demographics. However, gender-specific challenges remain unaddressed. Although regulations have been discussed, comprehensive research on effective regulatory frameworks that balance worker protection and economic growth is insufficient. There is a need for better economic models to analyse the impact of the gig economy on India's economy. Limited research has compared India's gig economy development with that of other emerging economies.

Rationale and Significance:

Examining the impact of the gig economy on employment in India is important. The gig economy generates numerous employment opportunities, particularly during times of high unemployment. It provides flexible work arrangements for millions of people (Mehta 2020). Given the large number of young and technologically adept individuals, the gig economy aligns well with India's demographic profile (Prabhat et al. 2019). As the gig economy expands, challenges arise in safeguarding workers' rights and formulating appropriate legislation, especially for migrant workers (Kalbalia & Koushik, 2025). The gig economy is transforming consumer behaviour, entrepreneurship, and work practices in India (Sood & Singh, 2023). It also alters social structures by creating networks among workers to address issues, as observed during the COVID-19 pandemic (Ray 2024). Technological advancements facilitate the growth of the gig economy by simplifying job access and reducing employment barriers (Schwellnus et al. 2019). A comprehensive understanding of the gig economy is essential for policymakers to enhance the benefits and address issues

related to worker rights and legal frameworks.

Objective of the Study:

This study aims to deliver a comprehensive analysis of the dimensions, scope, driving factors, impact, and regulatory challenges associated with the gig economy in India.

METHODOLOGY

This study adopted a descriptive methodology that employed secondary data. It primarily involves a descriptive and analytical review of the extant literature. The data sources consisted of secondary data derived from government and think tank reports (e.g., NITI Aayog, BCG), academic journals, published case studies, industry reports, and reputable news articles. The analysis is centered on synthesizing information from these diverse sources to provide a comprehensive overview of the Indian startup ecosystem. Particular emphasis is placed on identifying the key trends, challenges, and opportunities within the sector. Furthermore, this study investigates the impact of government policies and initiatives on the growth and development of startups in India.

Drivers and Enablers of the Gig Economy in India:

The gig economy of India is facilitated and sustained by several critical factors.

Technological Infrastructure: The swift advancement and widespread adoption of digital platforms have substantially reduced entry barriers within the gig economy. Technological progress supports the flexible and decentralized characteristics of gig work, enabling individuals to participate in short-term employment opportunities in diverse geographic locations (Banik & Padalkar, 2021; Talukder et al., 2024).

Demographic Factors: India's substantial and youthful population, combined with significant internet penetration and widespread smartphone usage, fosters an environment conducive to the growth of the gig economy. This demographic advantage, alongside challenges within traditional employment sectors, compels many individuals to pursue gig work to obtain more flexible income opportunities (Prabhat et al., 2019).

Economic Factors: Economic conditions such as unemployment and financial stressors drive individuals to consider gig employment as a viable alternative to traditional employment. The economic downturn has rendered gig work attractive due to its low barriers to entry and capacity to provide immediate, albeit sometimes precarious, income (Huang et al., 2018).

Policy Push: The increasing acknowledgment of the gig economy's contribution to employment generation has instigated policy discussions focused on the regulation and protection of gig workers. For example, legislation such as California Assembly Bill 5, although not applicable to India, exemplifies a growing global trend towards enhanced governance of gig work (McClenahan et al., 2017).

The COVID-19 Catalyst: The COVID-19 pandemic has significantly accelerated the expansion of the gig economy, compelling numerous individuals to pursue flexible and remote employment opportunities. Despite the economic vulnerabilities associated with gig and platform work, the pandemic has underscored their importance by facilitating the provision of essential services during lockdowns (Auguste et al., 2023; Lin et al., 2022).

Each of these factors contributes to the formation and growth of India's gig economy, resulting in a dynamic and evolving landscape.

The Landscape of the Indian Gig Economy:

This section of the study is comprehensively divided into four distinct subsections: market size and growth projection, key sectors, demographic profiles of gig workers, and typology of workers.

Market Size and Growth Projections: The Indian gig economy has experienced substantial growth in recent years, with the number of gig workers increasing from 25.2 lakh in 2011-12 to 68 lakh in 2019-20, reflecting a compound annual growth rate (CAGR) of 16.78% (Sood & Singh, 2023). Notably, key statistics indicate that NITI Aayog estimated 7.7 million workers in 2020-21, with projections suggesting an increase of 23.5 million by 2029-30.

Key Sectors: These sectors include mobility, delivery, professional services, and macro-tasks, among others. These sectors are analyzed in the subsequent discussion.

Mobility: The mobility sector, which includes ride-sharing and transportation services, constitutes a significant segment of India's gig economy. It offers flexible employment opportunities, particularly in urban areas.

Delivery: Delivery services encompassing both food delivery and e-commerce logistics have assumed an increasingly pivotal role within the gig economy. This sector facilitates the swift fulfillment of consumer demand through digital platforms.

Professional Services: In the gig economy, professional services encompass freelance work in domains such as graphic design, content creation, and software development. This sector capitalizes on specialized skills contracted through digital platforms.

Micro-Tasks: Micro-tasks refer to small, rapidly completed tasks typically conducted online, such as surveys or data entry, which offer income opportunities with minimal time investment.

Demographic Profile of Gig Workers: The gig economy in India encompasses a heterogeneous workforce characterized by a range of skill levels, including individuals possessing advanced degrees as well as those with limited formal education. This demographic comprises both young adults and seasoned professionals who are attracted to the flexibility and supplementary income opportunities they offer (Mehta, 2020).

Typology of Workers: Gig workers can be classified into two categories: full-time gig workers, who primarily depend on gig work for their livelihood, and part-time gig workers, who engage in gig opportunities to supplement their income. This classification reflects the varied motivations and economic needs of gig workers in India (Auguste et al. 2023).

The gig economy in India signifies a significant transformation in employment dynamics, providing flexible work opportunities across various sectors and accommodating a diverse range of worker profiles. As this sector continues to expand, it has the potential for substantial economic impact and presents unique regulatory and policy challenges (Batmunkh et al., 2022; Kalbalia & Koushik, 2025).

Impact and Implications of the Gig Economy: This section explores the effects and ramifications of the gig economy on workers, businesses, and the broader economic landscape, emphasizing both the opportunities and challenges it presents. These elements are discussed in detail below:

For Workers:

For Workers, Opportunities Include the following:

- i. **Flexibility and Autonomy:** The gig economy facilitates workers' ability to select their working hours and engage in remote work, thereby promoting an improved work-life balance and greater autonomy over their career trajectories (Li, 2023).

- ii. **Multiple Income Streams:** It offers the potential to diversify income streams, thereby enhancing financial stability for certain workers (Li, 2023).
- iii. **Skill Development:** Individuals can acquire experience across diverse domains, thereby augmenting their skill sets and enhancing their employability (Salmah et al., 2024).

For Workers, Challenges Include the following:

- i. **Job Security:** Gig workers frequently encounter precarious employment conditions characterized by the absence of guaranteed income, which adversely impacts their economic security (Li, 2023).
- ii. **Lack of Benefits and Protection:** Employees may not be entitled to conventional employment benefits, such as health insurance, retirement plans, or job security (Li 2023).
- iii. **Economic Hardship:** During periods of economic recession, gig workers may encounter increased economic difficulties due to the absence of financial safety nets (Auguste et al., 2023).

For Businesses (Platforms):

For Businesses, The Benefits Include the following:

- i. **Cost-Effective Labour:** Platforms have the capability to utilize on-demand Labour, thereby reducing expenses associated with full-time employment, such as benefits and long-term commitments (Li, 2023).
- ii. **Scalability and Flexibility:** Organizations can efficiently adjust their workforce in response to fluctuations in demand, thereby enhancing their operational flexibility (Li, 2023).

For Businesses, Challenges Include the following:

- i. **Managing Workforce:** Effectively managing the intricacies of a decentralized and adaptable workforce necessitates the implementation of innovative management strategies (Li, 2023).
- ii. **Ensuring Worker Satisfaction and Retention:** Ensuring high levels of engagement and satisfaction among gig workers presents a significant challenge; however, it is essential for maintaining sustained productivity (Salmah et al., 2024).

For the Economy:

For the Economy, Positive Include the following:

- i. **Increased Employment Opportunities:** The gig economy has the potential to enhance overall employment levels by generating opportunities in sectors that have traditionally offered limited options (Schwellnus et al., 2019).
- ii. **Enhanced Labour Market Efficiency:** Platforms frequently enhance the efficiency of aligning talent with demand, which may result in productivity improvements (Schwellnus et al., 2019).

For the Economy, Concerns Include the following:

- i. **Market Inequality:** The gig economy has the potential to intensify Labour market disparities, as not all individuals have equal access to, or can equally benefit from, gig opportunities (Auguste et al., 2023).
- ii. **Worker Rights and Protection:** The absence of regulations and protection for gig workers poses substantial challenges to ensuring equitable treatment and economic security (Li, 2023).

These impacts underscore the intricate and multifaceted nature of the gig economy, emphasizing both its transformative advantages and the critical challenges that must be addressed to ensure a sustainable and equitable economic future.

Analysis of the Overall Impact of the Gig Economy in India:

This section examines two dimensions of impact: beneficial and adverse effects. These aspects are discussed in detail below:

Positive Impacts: The gig economy in India exerts several beneficial effects, as delineated below:

Employment Opportunities: India's gig economy presents significant employment opportunities, particularly in light of increasing unemployment and a reduction in traditional job creation. By fiscal year 2019-20, the number of gig workers in India had risen markedly to 68 lakhs, reflecting a compound annual growth rate (CAGR) of 16.78% (Sood & Singh, 2023).

Sector Distribution: Gig workers are predominantly employed within the informal sector, accounting for 62.4% of the workforce, while a substantial proportion (37.6 %) are engaged in the formal sector. Notably, the retail trade sector employs a significant number of gig workers, particularly shop salespersons and demonstrators (Sood & Singh, 2023).

Flexibility and Autonomy: The gig economy facilitates enhanced autonomy and flexibility for workers, allowing them to effectively balance multiple employment opportunities with personal life commitments. This adaptable framework promotes diversified income streams and fosters career development opportunities (Li 2023).

Vulnerabilities and Challenges: Despite the opportunities presented by gig work, individuals engaged in this sector encounter substantial challenges, including job insecurity, lack of worker rights, and inadequate protection. These vulnerabilities are further intensified by economic downturns and disruptions related to pandemics (Kalbalia and Koushik, 2018; Kalbalia & Koushik, 2025).

Impact on Traditional Employment: The gig economy fundamentally alters Labour market dynamics by facilitating cost-effective, on-demand Labour, thereby challenging conventional employment models. This shift necessitates businesses to adapt to effectively manage a decentralized workforce (Li, 2023).

Regulatory Framework: There is an urgent requirement for the development of effective regulatory frameworks to safeguard the rights of gig workers and ensure equitable treatment. Existing regulations reveal deficiencies, particularly in the areas of practical enforcement and protection of worker rights (Kalbalia & Koushik, 2025).

Sociocultural Influences: The gig economy exerts not only economic effects but also sociocultural ones, as it shapes consumer behavior and entrepreneurship. Gender disparities within the gig economy highlight the need for gender-sensitive policies to improve job satisfaction and promote equality (Sarker et al., 2024).

Response to Technological Changes: Digital platforms play a pivotal role in the expansion of the gig economy by enabling remote work and enhancing Labour market participation through technological innovations. These platforms are transforming the organization of work and the discourse surrounding job quality, thereby attracting both policy and academic attention (Kaine & Josserand, 2019).

Future Policy Recommendations: To achieve a sustainable gig economy, policies must address current challenges, promote equitable protection and benefits for gig workers, and ensure regulatory compliance while simultaneously fostering economic growth (Mehta, 2020).

While this analysis provides a comprehensive summary of the gig economy's impact on India, a more detailed examination could further illuminate specific aspects such as socio-spatial networks and the particular effects of COVID-19 lockdowns on gig employment (Ray, 2024).

Negative Impacts: The gig economy in India exerts several adverse effects, as delineated below:

Job Security and Stability: Gig work frequently lacks the job security typically associated with traditional forms of employment. Consequently, workers are not assured of stable income or consistent employment, which can result in financial insecurity and stress (Huang et al., 2018; Kaine & Josserand, 2019).

Lack of Worker Protection and Rights: In India, a significant number of gig workers operate without fundamental Labour rights and protection. This situation encompasses the lack of benefits, such as health insurance, paid leave, and retirement plans, which are typically afforded in formal employment contexts (Kalbalia & Koushik, 2025).

Income Volatility: Gig workers frequently encounter unpredictable and fluctuating income streams, as their earnings are generally contingent on the availability of tasks or projects. This volatility poses significant challenges for gig workers in terms of financial planning (Li 2023).

Algorithmic Management: The implementation of algorithms in the management of gig workers can result in challenges such as a lack of transparency, inequitable evaluations, and a perception of being governed by a system devoid of human oversight. These factors may contribute to job dissatisfaction and feelings of alienation (Kaine & Josserand, 2019; Wan et al., 2024).

Gender-based Inequalities: Persistent gender disparities exist within the gig economy workforce, leading to unequal opportunities and treatment for female gig workers compared to their male counterparts (Kalbalia & Koushik, 2025).

Workplace Well-being: While job autonomy can yield beneficial outcomes, it may also contribute to work alienation, thereby affecting employees' well-being and mental health. The absence of workplace support and recognition can further exacerbate these challenges (Keith et al., 2020; Wan et al., 2024).

Inequitable Regulation and Implementation Gaps: There substantial deficiencies in the regulation and enforcement of legislation designed to safeguard gig workers. These deficiencies lead to regional variations in working conditions and render gig workers vulnerable to exploitative practices (Kalbalia and Koushik 2025).

These issues underscore the necessity for comprehensive regulatory frameworks that safeguard the rights and well-being of gig workers while preserving the inherent flexibility and adaptability that define gig work.

Regulatory Environment and Policy Challenges:

The regulatory environment and policy challenges of India's gig economy are multifaceted and complex, as highlighted below.

Worker Rights and Protection: Gig workers in India encounter substantial challenges regarding their rights and protections. There are discrepancies between the legal recognition of gig workers and the practical enforcement of these rights. The absence of a comprehensive framework to ensure equitable treatment and protection of gig workers exacerbates their vulnerability (Kalbalia & Koushik, 2025).

Employment Status and Benefits: Gig workers frequently encounter uncertainty regarding their employment status, which subsequently impacts their eligibility for occupational welfare and the benefits typically afforded to regular employees. This ambiguity results in the denial of private occupational pensions and restricts access to social security benefits (Au-Yeung et al. 2024).

Gender Inequality: Gender-based disparities remain prevalent in the gig economy, mirroring broader societal inequalities. Women encounter challenges associated with algorithmic biases and precarious work conditions, which are further exacerbated by gender pay gaps and hiring biases (Vyas, 2020).

Regulatory Framework Gaps: The regulatory framework governing the gig economy in India is in a state of ongoing development and frequently fails to keep pace with rapid changes in gig work dynamics. The policy environment requires comprehensive modifications to effectively address issues related to worker classification, rights, and protection (Inversi et al., 2022).

Algorithmic Management and Autonomy: Gig platforms exercise significant control over workers through algorithmic management, potentially compromising worker autonomy. The organizational structure of these platforms may result in power dynamics that disproportionately favor platforms over individual gig workers (Christiaens, 2024).

Economic Welfare and Job Security: The gig economy offers a degree of flexibility; however, it also raises concerns regarding job insecurity and the absence of stable income. There is an urgent need for policies that effectively balance the flexibility inherent in gig work, considering economic welfare and job security (Li, 2023).

Need for Collaborative Stakeholder Efforts: Addressing regulatory challenges necessitates collaborative efforts among various stakeholders, including policymakers, platforms, and researchers, to develop solutions that enhance working conditions and ensure equitable treatment for gig workers (Kalbalia & Koushik, 2025).

While the gig economy presents considerable opportunities for job creation and economic expansion, it necessitates a thorough reassessment of current Labour laws and policies to ensure the protection and enhancement of the rights and welfare of gig workers.

The Future Trajectory in India:

This section of the study is systematically divided into six subsections: growth and potential, technological integration, challenges and regulatory needs, socioeconomic impact, sectoral distribution and workforce composition, and policy and future suggestions. Each of these subsections is examined in detail below:

Growth and Potential: The gig economy in India has experienced substantial growth, with the number of gig workers rising from 25.2 lakhs in 2011-12 to 68 lakhs in 2019-20, indicating a compound annual growth rate (CAGR) of 16.78% (Sood & Singh, 2023). This sector continues to offer essential employment opportunities amidst increasing unemployment in the formal sector (Mehta 2020).

Technological Integration: Digitalization has significantly advanced the gig economy by facilitating flexible work arrangements and transforming business models and service delivery mechanisms (Sood & Singh, 2023). The incorporation of technology has fundamentally altered the operations of gig workers and enhanced their visibility, particularly in sectors such as the retail trade (Sood & Singh, 2023).

Challenges and Regulatory Needs: Although the gig economy in India has experienced significant growth, it continues to encounter numerous challenges, such as regulatory deficiencies, gender-based disparities, and substandard working conditions. To effectively address these issues and ensure equitable treatment for gig workers, it is imperative to develop tailored regulatory frameworks that involve collaborative efforts among stakeholders (Kalbalia and Koushik, 2025).

Socioeconomic Impact: The gig economy is regarded as a pivotal component in addressing employment and entrepreneurship challenges in India. Nevertheless, workers frequently depend on informal socio-spatial networks because of the absence of formal support systems, underscoring the need for institutional support (Ray, 2024).

Sectoral Distribution and Workforce Composition: A substantial proportion of India's gig workforce is employed within the informal sector; however, a notable segment is integrated into the formal sector. Gender disparities are evident, with women increasingly choosing digital work options to balance multiple responsibilities, highlighting the need for gender-sensitive policies (Sarker et al., 2024).

Policy and Future Suggestions: The prospective development of the gig economy in India is contingent upon the implementation of policies that ensure protection and equitable opportunities for gig workers. This necessitates the provision of fair wages, improved working conditions, and legal recognition (McClenahan et al. 2017; Mehta 2020).

FINDINGS OF THE STUDY

The principal findings of the study concerning the gig economy in India are as follows:

Growth and Market Size:

- The number of gig workers in India increased from 2.52 million in 2011-2012 to 6.8 million in 2019-2020, reflecting a compound annual growth rate of 16.78%.
- NITI Aayog estimated that there were 7.7 million gig workers in the fiscal year 2020-21, with projections indicating an increase to 23.5 million by 2029-30.

Key Sectors:

- Key sectors encompass mobility (including ride-sharing and transportation), delivery (such as food and e-commerce), professional services (encompassing design, content creation, and software development), and microtasks.

Worker Demographics:

- The gig economy encompasses a diverse range of workers, including highly skilled professionals and individuals with limited formal education.
- The group consisted of young adults and seasoned professionals who sought flexibility and additional income.

Impact on Workers:

- Positive: Flexibility, autonomy, multiple income streams, and skill development opportunities.
- Negative: Job insecurity, lack of benefits and protection, economic hardship during recessions.

Impact on Businesses:

- Positive: Cost-effective Labour, scalability, and operational flexibility.
- Challenges: Managing a decentralized workforce and ensuring worker satisfaction and retention.

Economic Impact:

- Increased employment opportunities, especially in sectors with limited traditional options.
- Enhanced Labour market efficiency.
- Concerns about market inequality and the lack of worker protection.

Regulatory Challenges:

- Gaps in legal recognition and enforcement of gig workers' rights.
- Uncertainty regarding employment status and eligibility for benefits
- Need for comprehensive regulatory frameworks to address worker classification, rights, and protection.

Gender Disparities:

- Persistent gender-based inequalities in job satisfaction, working conditions, and income potential.

Technological Integration:

- Digital platforms have facilitated the growth of the gig economy significantly.
- Algorithmic management raises concerns about transparency and fair evaluation.

Future Outlook:

- Continued growth potential, particularly in urban areas and specific sectors.
- Need for policy interventions to balance growth with worker welfare and address regulatory challenges.

The findings underscore the intricate dynamics of India's gig economy, illustrating its potential for fostering economic growth and employment opportunities, as well as the challenges it poses concerning worker rights, job security, and regulatory frameworks.

CONCLUSION

India's gig economy has emerged as a significant force in reshaping the country's employment landscape. This study examines its multifaceted impact, revealing both opportunities and challenges. The gig economy has experienced substantial growth, with the number of gig workers increasing from 2.52 million in 2011-12 to 6.8 million in 2019-20, reflecting a compound annual growth rate of 16.78%. The projections suggest further expansion, with estimates of 23.5 million gig workers by 2029-30. The key sectors driving this growth include mobility, delivery services, professional services, and microtasks. The gig economy offers workers flexibility, autonomy, and opportunities for developing skills. However, it also presents challenges, such as job insecurity, lack of benefits, and economic vulnerability during downturns. For businesses, the gig economy provides cost-effective Labour and operational flexibility but poses challenges in workforce management and retention. This study highlights significant regulatory gaps and policy challenges. These include the need for comprehensive frameworks to protect workers' rights, address gender inequalities, and ensure fair treatment. The absence of adequate social security measures and the precarious nature of gig work underscore the urgency of policy interventions. Looking ahead, the future trajectory of India's gig economy will depend on balancing its growth potential with worker welfare. This will require collaborative efforts among policymakers, platforms, and other stakeholders to develop inclusive policies that foster economic growth while safeguarding workers' rights and well-being. In conclusion, while the gig economy offers substantial opportunities for employment generation and economic growth in India, careful regulation and policy formulation are required to ensure equitable and sustainable development. As this sector continues to evolve, ongoing research and adaptive policymaking will be crucial in addressing emerging challenges and maximizing benefits for all stakeholders involved.

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